

SINGLETON BOWLING CLUB CO-OPERATIVE LIMITED
(ACN 048 107 466)

CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

CONTENTS

Directors' Report	2-5
Auditor's Independence Declaration	6
Audit Report on Concise Financial Report	7-8
Discussion and Analysis of the Financial Report	9
Statement of Financial Position	10
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Cashflows	12
Statement of Changes in Equity	13

DIRECTORS' REPORT

Your Directors presents their report for the financial year ended 30 June 2018.

1. Directors

The names of the Directors as at the date of this report are:

Name	Position	Experience and Qualifications	Years as a Director
W Wyborn	Vice Chairman	Experienced timber merchant and former business owner.	11
K Hardy	President	Plant Operator in the mining industry since 1979.	11
B Taylor	Treasurer	Mechanic trade qualified. Small business operator and sales management experience.	4
J Savage	Director	Building trade qualified with 50 years experience & former company director.	1
I Skilton	Director	Retired Deputy Principle of Singleton High School after 38 years in secondary education. B. Mathematics and Dip. Education (secondary).	1
D Maxwell	Director	Background in agriculture and transport. Currently employed in the mining industry.	1
R Sills	Director	Trade qualified bricklayer and stonemason as well as qualifications in horticulture. Currently employed with Hunter New England Health.	1

2. Activities

The principal activities of the Co-operative in the course of the financial year ended 30 June 2018 were the running of a licensed club for the benefit of its members and to meet the Co-operative's objectives under its constitution.

There have been no significant changes in the activities conducted by the Co-operative in the year under review.

3. Objectives of the Co-operative

The Co-operative's short and long term objectives are to;

Provide the best facilities available to members and their guests, including the promotion of the game of bowls.

To achieve these objectives the Co-operative has adopted the following strategies;

Maintain or increase existing revenue levels and control costs to continue profitability which will allow the Co-operative's premises to be continually improved and maintain greens to a high standard.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

DIRECTORS' REPORT (Cont.)

4. Results

The net result of operations after applicable income tax was a profit of \$200,849 (2017 loss of \$329,280).

5. Review of Operations

	2018	2017	Change
	\$	\$	\$
Net Profit before Fair Value Adjustment	200,849	143,585	57,264
Fair value adjustments to land and buildings	-	(472,865)	472,865
Net Profit / (Loss) for the year	200,849	(329,280)	530,129

The return to profit for the year is mainly due to last year including the reduction in fair value of the Co-operative's land and buildings of \$472,865. Underlying operating results for the year have improved with an increase in poker machine revenue partially offset by increased gaming machine tax and depreciation.

6. Events Subsequent to Balance Date

Since the end of the financial year the Directors are not aware of any matters or circumstances not otherwise dealt with in the report or accounts that has significantly or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in subsequent financial years.

7. Likely Developments and Expected Results

The Directors do not anticipate any major changes in the operations of the Co-operative which will adversely affect profitability in future periods.

8. Indemnifying Officer or Auditor

The Co-operative has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Co-operative Indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs expenses in successfully defending legal proceedings.

During the financial year, the Co-operative has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

DIRECTORS' REPORT (Cont.)

9. Directors Benefits

Since the end of the previous financial year no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due to be received by Directors shown in the accounts or received as the fixed salary of a full time employee of the Co-operative) by reason of a contract made by the Co-operative or by a related corporation with the Director or with a firm of which they are a member, or with a Co-operative in which they have a substantial financial interest.

10. Environmental Regulations

The Co-operative's operations are subject to various environmental regulations under both Commonwealth and State Legislations. The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

11. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 6 of the financial report.

The Co-operative may decide to engage the auditor in addition to their statutory audit where the auditor's expertise and experience with the Co-operative is important. Details of amounts paid or payable to the auditor (DFK Crosbie) for audit and non-audit services are provided for in Note 16 to the full financial report.

12. Financial Report Issue Date

The financial report was authorised for issue by the Directors' on 19 September 2018. The Co-operative has the power to amend and re-issue the financial report.

13. Dividends

The Co-operative, being a non-profit organisation, is prohibited from paying dividends under its constitution.

14. Meeting Attendances

The number of Board meetings held during the financial year ended 30 June 2018 was 17 being 12 normal monthly Board meetings and 5 special Board meeting. The details of each Directors attendances at those meetings is given below:

<u>Director</u>		<u>Monthly</u>	<u>Special</u>	<u>Held Whilst in Office</u>
W Wyborn		11	5	17
K Hardy		11	5	17
B Taylor		11	4	17
J Savage	(Appointed at AGM)	8	3	11
I Skilton	(Appointed at AGM)	8	3	11
D Maxwell	(Appointed at AGM)	8	3	11
R Sills	(Appointed at AGM)	6	2	11
G Lambkin	(Not reappointed at AGM)	3	2	6
G Smith	(Not reappointed at AGM)	4	2	6
S Noble	(Not reappointed at AGM)	3	2	6
P Bowden	(Not reappointed at AGM)	4	2	6

The Annual General Meeting was held on the 20 November 2017.

DIRECTORS' REPORT (Cont.)

15. Property Report

The land on which the Clubhouse and Greens are situated is freehold land owned by the Co-operative. The Directors have determined the Co-operative's "core" and "non-core" properties as required in accordance with section 41J of the Registered Clubs Act 1976 as follows:-

Core Property	Land and Buildings upon which the Club and carpark are situated (including #1 and #2 greens), being 50 Pitt Street, Singleton.
Non-Core Property	This comprises: property at 29 William Street, Singleton, land (lots 526 and 525 of DP 1089479, Lot 570 of DP 1089441, Lot 1 of DP 955799, Lot 1 of DP 1009908 and Lot 1 of DP 966788) at Pitt/William Street, Singleton.

Signed in accordance with a resolution of the Board of Directors



K Hardy - Director



W Wyborn - Director

Dated: 19 September 2018

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
SINGLETON BOWLING CLUB CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Mahony - Partner



DFK Crosbie Partners
Chartered Accountants

Dated: 19 September 2018
Warabrook, NSW

Newcastle

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SINGLETON BOWLING CLUB CO-OPERATIVE LIMITED
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INDEPENDENT AUDIT REPORT TO MEMBERS

To the Members of Singleton Bowling Club Co-operative Limited

Report on the Concise Financial Report

Opinion

We have audited the concise financial report of Singleton Bowling Club Co-operative Limited (the "Co-operative"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year then ended and related notes, derived from the financial report of Singleton Bowling Club Co-operative Limited for the year ended 30 June 2018 and the discussion and analysis.

In our opinion, the accompanying concise financial report, including the discussion and analysis of Singleton Bowling Club Co-operative Limited, complies with Accounting Standard AASB 1039: Concise Financial Reports.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Concise Financial Report section of our report. We are independent of the Co-operative in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

The Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the financial report in our report dated 19 September 2018.

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A member firm of DFK International a worldwide association of independent accounting firms and business advisers

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INDEPENDENT AUDIT REPORT TO MEMBERS

Responsibilities of the Directors for the Concise Financial Report

The Directors are responsible for preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Co-Operatives National Law 2014 (NSW) and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 Concise Financial Reports and whether the discussion and analysis complies with AASB 1039 Concise Financial Reports based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Matters relating to the electronic presentation of the audited financial report

The auditor's report refers to the concise financial report of Singleton Bowling Club Co-Operative Limited (the Co-Operative) for the year ended 30 June 2018 included on the Co-Operative's web site. The Co-Operative's Directors are responsible for the integrity of the web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited concise financial report to confirm the information included in the audited concise financial report presented on this web site.

Shaun Mahony - Partner

DFK Crosbie Partners
Chartered Accountants

Dated: 19 September 2018
Warabrook, NSW

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DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORT

Information on Singleton Bowling Club Co-operative Limited Concise Financial Report

The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports and the Co-operatives National Law (NSW) 2014 and is an extract from the full financial report. The concise financial report is presented in Australian Dollars.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full 2018 financial report of Singleton Bowling Club Co-operative Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Co-operative as the full financial report. The accounting policies have been consistently applied by the Co-operative and are consistent with the previous financial year.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

The following discussion has been included to assist members in understanding the concise financial report.

Statement of Profit or Loss and Other Comprehensive Income

The result for the year including other comprehensive income is a net profit of \$200,849 compared to a loss of \$329,280 for the previous year. The return to profit for the year is mainly due to last year including the reduction in fair value of the Co-operative's land and buildings of \$472,865. Underlying operating results for the year have improved with an increase in poker machine revenue partially offset by increased gaming machine tax and depreciation.

Bar sales for the year were \$632,918 compared to \$603,260 last year, an increase of 4.9%. The gross profit margin achieved was 58.0% compared to 59.1% last year. Net profit from the bar was slightly lower at \$150,475 in comparison to \$155,724 last year.

Net revenue from poker machines was \$1,639,514 compared to \$1,383,291 last year, which is a significant increase of 18.5%. After deducting a higher level of gaming machine expenses including duty tax, the net profit from poker machines for the year was \$1,125,920 compared to \$1,005,278 last year.

Commission received from Keno and TAB for the year totalled \$48,908 compared to \$45,948 last year.

The net cost of bowls for the year was \$84,717 compared to \$80,851 last year.

Other income for the year totalled \$293,977 compared to \$295,661 last year with increases in housie income, function sales and concert tickets, offset by decreases in interest received, bowls and competition fees and profit on sale of assets.

Operating expenses not allocated to trading areas totalled \$1,292,089 compared to \$1,687,519 last year (which included fair value adjustments of \$472,865). Increases were noted in depreciation, raffle prizes, advertising and promotion, computer software and wages. Decreases were noted in provision for employee entitlements, repairs and maintenance and rental of plant.

Statement of Financial Position

The Statement of Financial Position sets out the assets and liabilities of the Co-operative as at 30 June 2018, disclosing current assets of \$751,762 compared to current liabilities of \$371,008.

Statement of Cashflows

The Statement of Cashflows discloses net cash inflows from operating activities of \$546,183 which is an increase on the previous year's inflow of \$389,291. These funds generated have been used to repay borrowings of \$144,484 and acquire plant and equipment and Club improvements to the extent of \$190,625, with the net increase in cash held overall being \$210,718 for the year.

Statement of Changes in Equity

The Statement of Changes in Equity for the year ended 30 June 2018 reflects the profit achieved for the year.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	2018 \$	2017 \$
CURRENT ASSETS		
Cash and Cash Equivalents	633,383	422,665
Trade and Other Receivables	21,627	25,139
Investments	16,439	16,083
Inventories	26,245	26,040
Other Assets	54,068	50,338
TOTAL CURRENT ASSETS	<u>751,762</u>	<u>540,265</u>
NON-CURRENT ASSETS		
Property, Plant and Equipment	3,127,098	2,939,680
TOTAL NON-CURRENT ASSETS	<u>3,127,098</u>	<u>2,939,680</u>
TOTAL ASSETS	<u>3,878,860</u>	<u>3,479,945</u>
CURRENT LIABILITIES		
Trade and Other Payables	173,463	125,939
Provisions	55,881	54,242
Financial Liabilities	125,897	87,193
Other Liabilities	15,767	14,381
TOTAL CURRENT LIABILITIES	<u>371,008</u>	<u>281,755</u>
NON-CURRENT LIABILITIES		
Provisions	14,591	10,261
Financial Liabilities	171,642	69,080
Other Liabilities	92,384	90,463
TOTAL NON-CURRENT LIABILITIES	<u>278,617</u>	<u>169,804</u>
TOTAL LIABILITIES	<u>649,625</u>	<u>451,559</u>
NET ASSETS	<u>3,229,235</u>	<u>3,028,386</u>
MEMBERS' FUNDS		
Accumulated Profits	3,229,235	3,028,386
TOTAL MEMBERS' FUNDS	<u>3,229,235</u>	<u>3,028,386</u>

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Bar Sales	632,918	603,260
Cost of Goods Sold - Bar	265,856	247,006
Bar Gross Profit	367,062	356,254
Poker Machine Net Revenue	1,639,514	1,383,291
Keno and Tab Commission	48,908	45,948
Rent Received	34,200	34,200
Total Trading Income	2,089,684	1,819,693
Other Income		
Interest Received	3,993	9,456
Bowls & Competition Fees Received	15,165	30,730
Other Income	274,819	255,475
Total Other Income	293,977	295,661
Less Operating Expenses		
Bar Direct Expenses	216,587	200,530
Poker Machine Direct Expenses	513,594	378,013
TAB and Keno Direct Expenses	58,763	65,628
Bistro Direct Expenses	1,897	1,363
Bowls Direct Expenses	99,882	111,581
Clubhouse	492,937	474,494
Land and Building fair value adjustments	-	472,865
Administration	787,112	727,305
Financing Costs	12,040	12,855
Total Expenses	2,182,812	2,444,634
Net Profit/(Loss) before Income Tax	200,849	(329,280)
Income Tax Expense	-	-
Net Profit/(Loss) after Income Tax	200,849	(329,280)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss)	200,849	(329,280)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Cash Flows from Operating Activities		
Receipts from Members and Guests	2,925,810	2,585,172
Payments to Suppliers and Employees	(2,371,570)	(2,193,436)
Interest Received	3,983	10,410
Interest Paid	(12,040)	(12,855)
<i>Net Cash Flows provided by (used in)</i> <i>Operating Activities</i>	546,183	389,291
Cash Flows from Investing Activities		
Proceeds from Disposal of Plant and Equipment	-	23,445
Payments for Plant and Equipment	(190,625)	(536,128)
Transfer to Investments	(356)	(438)
<i>Net Cash Flows provided by (used in)</i> <i>Investing Activities</i>	(190,981)	(513,121)
Cash Flows from Financing Activities		
Proceeds from Borrowings	-	24,000
Repayments of Borrowings	(144,484)	(99,267)
<i>Net Cash Flows provided by (used in)</i> <i>Financing Activities</i>	(144,484)	(75,267)
<i>Net Increase/(Decrease) in Cash Held</i>	210,718	(199,097)
Cash and Cash Equivalents at the Beginning of the Financial Year	422,665	621,762
Cash and Cash Equivalents at the End of the Financial Year	633,383	422,665

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Profits	Total
	\$	\$
Opening Balances 1 July 2016	3,357,666	3,357,666
Net profit / (loss) for the year	<u>(329,280)</u>	<u>(329,280)</u>
Closing Balances 30 June 2017	3,028,386	3,028,386
Net profit / (loss) for the year	200,849	200,849
Closing Balances 30 June 2018	<u>3,229,235</u>	<u>3,229,235</u>